GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1948
ANSWERED ON:05.08.2005
IFCI
Manvendra Singh Shri

Will the Minister of FINANCE be pleased to state:

(a) whether the Industrial Finance Corporation of India {IFCI) has been prohibited by the Government from taking fresh advances;

(b) if so, the reasons therefor; and

(c) the steps taken by the Government to meet the -IFCI`s fund requirement?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

(a) No, Sir.

(b) Does not arise.

(c) The package of financial assistance to IFCI include payment towards small investors of below Rupees one lakh, servicing ADB loan and credit line from KFW (leading German Development Sank) and payment of differential interest rates on IFCI SLR bonds held by Public Sector Banks/FIs. Banks and Financial Institutions have simultaneously agreed to roll over SLR bonds and restructure non-SLR liabilities.

(c) and (d) The objective of the Banking Ombudsman Scheme is to resolve the grievances of the customers. There is no provision in the Scheme for taking action against the erring bank officials. However, banks are free to take action against their staff if the complaints of customers warrant so.